

EXHIBIT S

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF MARYLAND

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EQUAL EMPLOYMENT : CIVIL ACTION
OPPORTUNITY COMMISSION, :
Plaintiff, :
and :
KATHY C. KOCH, :
Plaintiff-Intervenor: :
: v. :
: :
LA WEIGHT LOSS, : NO.
Defendant : WDQ-02-CV-648

- - -
Wednesday, September 3, 2003

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Oral deposition of C. SCOTT MOYER taken pursuant to notice, was held at the offices of The Equal Employment Opportunity Commission, The Bourse Building, 21 S. Fifth Street, Suite 400, Philadelphia, Pennsylvania, beginning at 10:00 a.m., on the above date, before Ann Marie Mitchell, a Federally-Approved Registered Merit Reporter and Commissioner of Deeds in the Commonwealth of Pennsylvania.

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ESQUIRE DEPOSITION SERVICES
15th Floor
1880 John F. Kennedy Boulevard
Philadelphia, Pennsylvania 19103
(215) 988-9191

1 THE WITNESS: No.
 2 BY MR. PHILLIPS:
 3 Q. Do you understand the
 4 question?
 5 A. Yes.
 6 Q. Okay.
 7 A. No.
 8 Q. By the way, did LA Weight
 9 Loss at any time during your employment
 10 have an internal e-mail system?
 11 A. Yes.
 12 Q. When did that system first
 13 go into operation?
 14 A. I think soon after the
 15 company was established in -- sometime in
 16 1997.
 17 Q. So soon after February of
 18 '97?
 19 A. Yes.
 20 Q. Who was connected to that
 21 system? Was it all -- and I --
 22 A. Just headquarters people.
 23 Q. Just headquarters people.
 24 Did that change at any point?

1 do you remember?
 2 A. I think around 2000.
 3 Q. This internal e-mail system,
 4 is this like a GroupWise or something
 5 like that?
 6 A. It was just a
 7 headquarters -- you know, managers
 8 connecting with other managers and things
 9 like that.
 10 Q. In your experience, did the
 11 corporate office get e-mail from the
 12 field?
 13 A. No. That may have changed.
 14 Not when I was there.
 15 Q. By the field, I'm referring
 16 to -- do you understand what I'm
 17 referring to?
 18 A. Yes.
 19 Q. Regional managers, area
 20 managers, centers?
 21 A. I don't think there was a
 22 formal -- I know that they didn't have
 23 laptop -- some of the managers began to
 24 acquire laptops after I formally left my

1 A. Not that I'm aware of. The
 2 last year I was at LA, I was only
 3 involved in running real estate and
 4 franchise sales, and I wasn't really
 5 involved in the internal workings of the
 6 company.
 7 Q. But you always had internal
 8 e-mail at some point after February of
 9 '97?
 10 A. Yes.
 11 Q. Do you know who was in
 12 charge of maintaining that system?
 13 A. I think the man in charge of
 14 that was Mike Jenkins.
 15 Q. Had he always been in charge
 16 of the internal e-mail?
 17 A. He was our second -- what do
 18 you call it? What's the name of the
 19 computer guys?
 20 Q. MIS?
 21 A. Yes. He was the second MIS
 22 director. I can't remember the first
 23 guy's name.
 24 Q. When did Mr. Jenkins start,

1 position as the senior vice-president of
 2 franchising and real estate.
 3 Q. And I do want to talk about
 4 your titles for a minute.
 5 My understanding is that you
 6 started as the chief operating officer at
 7 LA Weight Loss. Correct?
 8 A. Yes. And.
 9 Q. And?
 10 A. Director of real estate or
 11 whatever name you want to put in front of
 12 real estate.
 13 Q. Basically you were a manager
 14 in charge of real estate?
 15 A. Yes.
 16 Q. So that would have started
 17 February 1997.
 18 You held both positions at
 19 the same time?
 20 A. Yes, I did.
 21 Q. And when did your title
 22 change?
 23 A. Sometime in 1998, probably
 24 the spring of 1998, between spring and

1 summer, sometime April, May, June.

2 Q. And what was your next
3 title?

4 A. Senior vice-president of
5 franchising and real estate.

6 Q. Did you hold any other
7 titles other than what you've already
8 testified to?

9 A. No.

10 Q. So you would have been
11 senior vice-president, franchising and
12 real estate from spring or summer of '98
13 until you left the company?

14 A. No.
15 Q. Okay?
16 A. That's not correct. The
17 last year of my employment, I was
18 strictly in franchise sales and franchise
19 real estate.

20 Q. Did you have a different
21 title in that last year?

22 A. Yeah. I think just director
23 of franchise sales and franchise real
24 estate.

1 might -- the first two directors of
2 franchising -- we just didn't think the
3 company was moving as rapidly in that
4 direction as it should. We weren't being
5 as successful as we should. So I took
6 over the whole franchise department, the
7 sales and operations, real estate,
8 everything. And that's what -- we went
9 in that direction because we felt I could
10 accelerate that whole process.

11 Q. As the chief operating
12 officer, again, going back to February
13 '97 to spring or summer of '98, did you
14 have someone who you considered to be a
15 supervisor?

16 A. Yeah. We had field
17 supervisors. We had -- you know, as the
18 company grew, it kept changing rapidly.
19 We had -- we had people in the field
20 that -- the head operators were called
21 the general managers.

22 Q. And let me just stop you
23 there, because I may have put the
24 question badly. You misunderstood my

1 Q. Why did your title change at
2 the start of that last year?

3 A. I had gone through heart
4 surgery the previous year and had decided
5 to start cutting back the last year of my
6 employment.

7 Q. So that was a voluntary
8 change?

9 A. Yes. Discussed with my
10 partners, et cetera.

11 Q. Discussed with Mr. Katz and
12 Mr. Karian?

13 A. Yes.

14 Q. And with respect to the
15 change in your title from COO and
16 director of real estate to senior
17 vice-president for franchising and real
18 estate, why that change?

19 A. Basically, I had a lot of
20 franchise experience from my previous
21 NutriSystem experience. And the
22 franchise sales -- I was bringing in most
23 of the leads anyway for franchise
24 purchases. And it was determined that I

1 question.

2 Did you have someone above
3 you that you considered your supervisor?

4 A. Well, Mr. Karian was the
5 CEO, president and CEO.

6 Q. Okay.

7 A. And Mr. Katz was the
8 co-chairman, so I reported to both of
9 those gentlemen.

10 Q. And again, during that
11 period when you were chief operating
12 officer, who were your direct
13 subordinates, the people just below you?

14 A. Well, it would be Eileen
15 Stancunis was the person that reported
16 directly to me.

17 Q. Anyone else?

18 A. Everyone else reported to
19 her.

20 Q. What was Ms. Stancunis's
21 title at that time?

22 A. I think she was -- I think
23 she was the chief field operator,
24 operations director or general director.